

## § 113.69

times the value of the merchandise involved in the default and duty thereon. It is understood and agreed that the amount to be collected under this condition will be based upon the quantity and value of the merchandise as determined by CBP. Value as used in these provisions means value as determined under 19 U.S.C. 1401a.

[T.D. 84-213, 49 FR 41171, Oct. 19, 1984, as amended by T.D. 88-72, 53 FR 45902, Nov. 15, 1988; CBP Dec. 15-15, 80 FR 70169, Nov. 13, 2015]

### **§ 113.69 Production of bills of lading bond conditions.**

A bond to produce a bill of lading must contain the conditions listed in this section and must be a single transaction bond.

#### **PRODUCTION OF BILL OF LADING BOND CONDITIONS**

If the principal obtains release of any merchandise before filing a valid bill of lading on that merchandise with CBP, the obligors (principal and surety, jointly and severally) agree to:

(a) Produce timely a valid bill of lading for the merchandise; and

(b) Relieve the United States and its employees from all liability, to indemnify the United States and its employees against loss, and defend any action brought on a claim for loss based on the release without production of a valid bill of lading.

[T.D. 84-213, 49 FR 41171, Oct. 19, 1984, as amended by T.D. 88-72, 53 FR 45902, Nov. 15, 1988; CBP Dec. 15-15, 80 FR 70169, Nov. 13, 2015]

### **§ 113.70 Bond condition to indemnify United States for detention of copyrighted material.**

A bond to indemnify the United States for detention of copyrighted material must contain the conditions listed in this section and must be a single transaction bond.

#### **BOND CONDITION TO INDEMNIFY UNITED STATES FOR DETENTION OF COPYRIGHTED MATERIAL**

If CBP detains any articles alleged by the principal to be a piratical copy of material covered by the principal's copyright pending a final determina-

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tion whether the articles are prohibited entry under the copyright laws, the obligors (principal and surety, jointly and severally) agree to hold the United States and its employees, and the importer or owner of those articles, jointly and severally, harmless from any material depreciation of those articles and any loss or damage caused by the detention in the event it is finally determined that the articles are not a piratical copy of the material.

[T.D. 84-213, 49 FR 41171, Oct. 19, 1984, as amended by T.D. 88-72, 53 FR 45902, Nov. 15, 1988; CBP Dec. 15-15, 80 FR 70169, Nov. 13, 2015]

### **§ 113.71 Bond condition to observe neutrality.**

A bond to observe neutrality must contain the conditions listed in this section and must be a single transaction bond.

#### **BOND CONDITION TO OBSERVE NEUTRALITY**

(a) If clearance is granted to the principal's vessel, which is armed or is built for a war-like purpose, with a cargo of arms and munitions, so that it is likely to be used to commit hostilities against people or countries with whom the Government of the United States is at peace, the principal guarantees that the vessel will not be used to commit hostilities against any country, state, colony, or people with whom the Government is at peace.

(b) If the principal defaults, the obligors (principal and surety, jointly and severally) agree to pay liquidated damages equal to twice the value of the vessel and cargo.

[T.D. 84-213, 49 FR 41171, Oct. 19, 1984, as amended by T.D. 88-72, 53 FR 45902, Nov. 15, 1988; CBP Dec. 15-15, 80 FR 70169, Nov. 13, 2015]

### **§ 113.72 Bond condition to pay court costs (condemned goods).**

A bond to pay court costs (condemned goods) must contain the condition listed in this section and must be a single transaction bond.

BOND CONDITION TO PAY COURT COSTS  
(CONDEMNED GOODS)

If any seized goods belonging to principal are condemned the obligors (principal and surety, jointly and severally) agree to pay all costs of the condemnation proceedings.

[T.D. 84-213, 49 FR 41171, Oct. 19, 1984, as amended by T.D. 88-72, 53 FR 45902, Nov. 15, 1988; CBP Dec. 15-15, 80 FR 70169, Nov. 13, 2015]

**§ 113.73 Foreign trade zone operator bond conditions.**

A bond of a foreign trade zone operator must contain the conditions listed in this section and must be a continuous bond.

FOREIGN TRADE ZONE OPERATOR BOND  
CONDITIONS

If the principal is authorized to operate a foreign trade zone or subzone:

(a) *Receipt, Handling, and Disposition of Merchandise.* The principal agrees to comply with:

(1) The law and CBP regulations relating to the receipt (including merchandise received and receipted for transport to his zone), admission, status, handling, transfer, and removal of merchandise from the foreign trade zone or subzone, and

(2) The CBP regulations concerning the maintenance of inventory control and recordkeeping systems covering merchandise in the foreign trade zone or subzone. If the principal defaults and the default involves merchandise other than domestic merchandise for which no permit for admission is required, the obligors (principal and surety, jointly and severally) agree to pay liquidated damages equal to the value of the merchandise involved in the default, or three times the value of the merchandise involved in the default if the merchandise is restricted or prohibited merchandise or alcoholic beverages, or such other amount as may be authorized by law or regulation. It is understood and agreed that whether the default involves merchandise is a determination made by CBP, that the amount to be collected under this condition will be based upon the quantity and value of the merchandise as determined by CBP, and that value as used

in these provisions means value as determined under 19 U.S.C. 1401a. If the principal defaults and the default does not involve merchandise, the obligors agree to pay liquidated damages of \$1,000 for each default, or such other amount as may be authorized by law or regulations.

(b) *Agreement to Pay Duties, Taxes, and Charges.* The obligors agree to pay any duties, taxes, and charges found to be due on any merchandise, properly admitted to the foreign trade zone or subzone, which is found to be missing from the zone or cannot be accounted for in the zone, it being expressly understood and agreed that the amount of said duties, taxes, and charges will be determined solely by CBP.

(c) *Agreement to comply with Importer Security Filing requirements.* The principal agrees to comply with all Importer Security Filing requirements set forth in part 149 of this chapter including but not limited to providing security filing information to CBP in the manner and in the time period prescribed by regulation. If the principal defaults with regard to any obligation, the principal and surety (jointly and severally) agree to pay liquidated damages of \$5,000 for each violation.

(d) *Reimbursement and Exoneration of the United States.* The obligors agree to:

(1) Exonerate the United States and its officers from any risk, loss, or expense arising from the principal's operation of the foreign trade zone or subzone;

(2) Pay the compensation and expenses of any CBP Officer, as required by law or regulations.

(e) *Payment of Annual Fee.* The principal agrees to pay timely any annual fee or fees as provided in the CBP regulations. If the principal defaults, the obligors agree to pay liquidated damages equal to the amount of the annual fee due but not paid and an amount equal to one percent of the annual fee for each of the first seven days the annual fee is in arrears, two percent of the annual fee for each of the succeeding seven days the annual fee is in